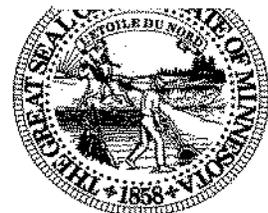




Office of the Minnesota Secretary of State
Minnesota Public Benefit Corporation / Annual Benefit Report
Minnesota Statutes, Chapter 304A



Read the instructions before completing this form
 Must be filed by March 31
 Filing Fee: \$55 for expedited service in-person, \$35 if submitted by mail

The Annual Benefit Report covers the 12 month period ending on December 31 of the previous year.
 Notice: Failure to file this form by March 31 of this year will result in the revocation of the corporation's public benefit status without further notice from the Secretary of State, pursuant to Minnesota Statutes, Section 304A.301

1. Corporate Name: (Required) Azul 7, GBC

2. The public benefit corporation's board of directors has reviewed and approved this report.

3. In the field below, enter the information required by section 304A.301 subd. 2 or 3 for the period covered by this report, (see instructions for further information): Note: Use additional sheets if needed. (Required)

Please reference attached full report.

4. I, the undersigned, certify that I am the chief executive officer of this public benefit corporation. I further certify that I have signed this document no more than 30 days before the document is delivered to the secretary of state for filing, and that this document is current when signed. I further certify that I have completed all required fields, and that the information in this document is true and correct and in compliance with the applicable chapter of Minnesota Statutes. I understand that by signing this document I am subject to the penalties of perjury as set forth in Section 609.48 as if I had signed this document under oath.

Lisa Helminiak
 Signature of Public Benefit Corporation's Chief Executive Officer

March 28, 2019
 Date (Must be dated within 30 days before the report is delivered to the Secretary of State for Filing)

Email Address for Official Notices

Enter an email address to which the Secretary of State can forward official notices required by law and other notices:
lisa.helminiak@azulseven.com

Check here to have your email address excluded from requests for bulk data, to the extent allowed by Minnesota law.

List a name and daytime phone number of a person who can be contacted about this form:

Lisa Helminiak 612-767-4335
 Contact Name Phone Number

Entities that own, lease, or have any financial interest in agricultural land or land capable of being farmed must register with the MN Dept. of Agriculture's Corporate Farm Program.

Does this entity own, lease, or have any financial interest in agricultural land or land capable of being farmed?
 Yes No

 azul seven

Public Benefits Corporation Annual Report

Fiscal Year 2018

Reporting Period January, 1, 2018 – December 31, 2018

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To Our Friends and Colleagues in the Community,

Azul Seven joined the B Corporation movement in Minnesota in 2015, because we want to be good corporate citizens in the region. We are a design consultancy that combines human-centered design and technology to solve business challenges. Our mission is to help clients grow sustainably by creating products and services that work better for people and the planet. That means we help clients better understand the people they serve and the systems they impact to develop impactful and sustainable businesses.

We believe in a world where we can create value and profit to enrich our local economic health; build business that add value to the community; and support and build upon our cultural landscape. We still remain inspired by the vision of thriving local and global communities, and I encourage you to join with us in realizing this vision through the B Corporation movement.

Sincerely,



Lisa Helminiak

CEO

Azul Seven

Introduction

Azul Seven incorporated on March 24, 2015 as a General Benefit Corporation under Minnesota's Public Benefit Corporation Act (the "Act"). Pursuant to Section 304A.101 of the Act, Azul Seven's general public benefit purpose as stated in its Articles of Incorporation is to pursue a net material positive impact from the business and operations of a general benefit corporation on society, the environment, and the well-being of present and future generations.

In 2019, Azul Seven is working with B Lab, an independent 3rd party assessment organization, to be recertified. Azul Seven used the same standard in 2016 through 2018 using B Lab's B Impact Assessment.

2018 was a year of significant change for Azul Seven. This report reflects where we are today and what we aim to achieve in 2019.

As a company, we continue to focus on the following priorities:

- + Hiring a diverse staff;
- + Paying fair and equitable wages;
- + Finding ways to lessen our negative impact on the environment;
- + Supporting our local economy by purchasing goods and services from local suppliers and partners, when possible;
- + Volunteering, as well as investing financial resources for social good; and
- + Making a commitment to improve our impact each year.

assessment scores

Azul Seven Total Points*

Overall Rating 51.8

Governance 21.3

Workers 10.5

Community 17.7

Environment 2.1

Operations Score 41.9

Impact Business Model Score 10

N/A Score 0

Status In Progress

Azul Seven's Public Benefit Goals & Progress

Workers (our Employees)

Azul Seven's staff is central to our success as a service organization. We continue to work hard to attract and retain skilled and talented team members working full-time and part-time. In 2018, Azul Seven has restructured our employment contracts to allow us to work with people in a more flexible way. We are balancing full-time, part-time and contract staff to give the company and workers the flexibility they need and desire.

Azul Seven continues to offer exceptional benefits even as these continue to be a larger expense to the organization. Included are health benefits where Azul Seven pays the first \$550 of employee premiums. We also offer dental, disability, life insurance and a 401(k) plan, as well as transportation reimbursement. The full benefits package is available for all staff working more than 30 hours per week including their families and domestic partners.

Workers Goals for 2019

- + Continue to evaluate our compensation policy to ensure equity and fairness
- + Diversify the team

Workers Challenges

We continue to work towards hiring a racially diverse team with the requisite skill sets in design and technology. This continues to be a challenge. But Azul Seven is committed to building as diverse a team as possible, and has worked toward that goal by supporting non-profits such as AchieveMpls to ensure that students have the opportunity to work in creative fields. We also provide design process training free of charge for qualifying non-profit organizations.

Community

The Twin Cities, Minneapolis and St. Paul, have a long history of activism and support by businesses to improve the health and well-being of citizens. Azul Seven is committed to continuing that tradition. We give back to the community as we can through direct gifts and in-kind donation of services.

To create as much local economic impact as possible through our work, we buy locally from mission-driven companies or B Corps such as Peace Coffee.

In 2018, Azul Seven was proud to support and donate services to Speaking of Home, a public art installation focused on examining the immigrant experience in Minnesota. Staff have also volunteered to teach and mentor students in the University of Minnesota College of Design.

Community Goals for 2019

- + Give 1% of profits back to the community through employee-chosen community initiatives for qualifying non-profits.
- + Each staff member donate 20 paid hours a year towards their chosen non-profit
- + Purchase goods and services from local, mission-driven companies

Community Challenges

Our goal is to continually expand a positive impact on the local community through volunteering and giving. Our challenge is aligning staff time to work on volunteer efforts as a group due to project and client demands. Azul Seven is scheduling a group volunteer day in the summer of 2019.

In regards to our local-purchasing policy, we need to continue to weigh overall costs with our desire to keep purchases close to home in 2019.

Environment

Azul Seven's environmental impact results from the energy we use to run our office equipment and to commute from home to work, as well as, the waste we generate. The Azul Seven offices are using low-wattage light bulbs and low-flow water fixtures. We also have transportation reimbursement, which incentivizes Azul Seven employees to bike or take public transportation to work. Azul Seven also offers flexible work from home opportunities which reduce carbon emissions

At Azul Seven, we are primarily a paperless office, working with digital documentation as much as possible. In addition, we work to minimize our use of toxic substances and reduce waste. We recycle paper, plastic and aluminum and continue to look forward to composting when service becomes available.

Environmental Goals for 2019

- + Minimize use of plastic and paper
- + Begin compost recycling

Environmental Challenges

Azul Seven has taken steps to reduce our carbon footprint and recycle the materials we use for business. We have little impact on our overall building power sourcing since we do not own our facility but will continue to pursue our goal of moving toward fueling our business with renewable energy.

Governance

Azul Seven is a small, privately held company with a simple governance structure. We have an active advisory group with monthly meetings. We also regularly solicited feedback from clients and staff to improve our training, consulting and design services.

In 2018, Azul Seven re-applied for, and received, federal woman-owned business status.

Governance Goals for 2019

- + Maintain our federal woman-owned business status
- + Grow advisory team

Governance Challenges

Our governance challenge continually revolves around focusing the necessary time to measure and report the work we do toward our public-benefit goals. We will continue to work through B Labs to measure and assess our impact.

certification

by the CEO

I, the undersigned, certify that I am the Chief Executive Officer of this public benefit corporation. I further certify that I have signed this document no more than 30 days before the document is delivered to the secretary of state for filing, and that this document is current when signed. I further certify that I have provided all required information and that the information in this document is true and correct and in compliance with the applicable chapter of Minnesota Statutes. I understand that by signing this document I am subject to the penalties of perjury as set forth in Section 609.48 as if I had signed this document under oath.



Lisa Helminiak
CEO



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OFFICE OF THE SECRETARY OF STATE
FILED
04/01/2019 11:59 PM

Steve Simon

Steve Simon
Secretary of State